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SUBJECT: GUIDANCE REQUEST: UN RESPONDS TO AMBASSADOR  
WALLACE REGARDING THE STATUS OF UN VENDORS RAISED IN THE  
VLADIMIR KUZNETSOV TRIAL

REF: BRUCE RASHKOW/DAVID SULLIVAN EMAIL - 3/15/07

11. GUIDANCE REQUEST: The UN responded on March 28 to Ambassador Mark Wallace's March 15 letter to them regarding the status of the UN vendors that government witness and former UN procurement officer Alexander Yakovlev asserted in sworn testimony he assisted with the preparation of their UN procurement bids in exchange for money payment. The full text of the UN response letter is listed in para. 2. USUN appreciates Department's views on how to respond to the letter. END GUIDANCE REQUEST.

12. Begin Letter Text:

Dear Mr. Ambassador,

I refer to your letter of 15 March 2007 regarding the recent trail of Mr. Vladimir Kuznetsov. Your letter raises a number of concerns about the possibility of favourable treatment given to vendors in obtaining UN contracts which would be in contravention to the UN rules. We agree with you that the UN must maintain the highest principles of ethics and fairness when awarding contracts for UN projects and we are doing everything we can to ensure that this is the case.

In response to your specific concerns regarding the status of vendors identified in the above-mentioned trial, kindly be advised that actions have already been taken. Cogim S.P.A. and Avicos Insurance Company have been removed from the UN vendor database. Corimec Italiana S.P.A., Volga-Dnepr Airlines and its subsidiary, Volga-Dnepr (Ireland) Ltd. have all been suspended from the UN vendor database. SGS Nederland B.V. was exonerated by the Volcker Commission and noted that a private individual, Yves Pintore had acted inappropriately, but was not connected, nor in the employment of SGS Nederland B.V. SGS is still maintained in the UN vendor database. Finally, we would like to point out that ICT is not a registered vendor with the United Nations.

Please note that the United Nations reiterates that it will strictly enforce a zero tolerance concerning unethical, unprofessional or fraudulent behaviour for UN vendors.

Please accept, Excellency, the assurances of my highest consideration.

I remain,  
Dear Mr. Ambassador

Your Sincerely,

(Signed)

Warren Sach  
Officer-in-Charge  
Department of Management

WOLFF